

Friday, 16 Dec 2022

The Director  
Beneficial Ownership and Transparency Unit  
Market Conduct Division

The Treasury  
Langton Crescent  
PARKES ACT 2600

**Computershare Investor Services Pty Limited**

ABN 48 078 279 277  
3/60 Carrington Street  
Sydney NSW 2000 Australia  
P: 61 2 8234 5000  
www.computershare.com

By Email: BeneficialOwnership@TREASURY.GOV.AU

To the Director of the Beneficial Ownership and Transparency Unit

### **Computershare's consultation feedback, Public Beneficial Ownership Register**

Thank you for the opportunity to provide feedback on the consultation "Multinational tax integrity: Public Beneficial Ownership Register". Computershare (ASX: CPU) is a global market leader in transfer agency and share registration, employee equity plans, mortgage servicing, proxy solicitation and stakeholder communications. We also specialise in corporate trust, bankruptcy, class action and a range of other diversified financial and governance services.

Founded in 1978, Computershare is renowned for its expertise in high integrity data management, high volume transaction processing and reconciliations, payments as well as stakeholder communications and engagement. Many of the world's leading organisations use us to streamline and maximise the value of relationships with their investors, employees, creditors and customers. Computershare is represented in all major financial markets and has over 15,000 employees worldwide. For more information, visit [www.computershare.com](http://www.computershare.com)

Given our deep experience in the management of publicly listed share registers and the coordination of investor interactions, we are pleased to be involved in this important discussion.

### **Phased implementation, we are taking a broader view**

It is our understanding that the proposed phased approach to beneficial ownership registers will initially target entities including Australian proprietary companies, unlisted Australian public companies, unlisted Australian registered MISs, and unlisted Corporate Collective Investment Vehicles (CCIVs). In this preliminary phase, it is replicating the requirements that currently exist for listed entities.

Future consultation(s) will consider further requirements for listed entities and contemplate a central register for collation and access to the information collected. It is the latter phase that we are primary focussed on and we would welcome further exploratory discussion on the requirement for and process of managing beneficial ownership interests.

With that broader view in mind, we make the following comments:

- Identifying an individual with a 'relevant interest' in an entity may be a complex undertaking, challenged by a range of different factors and layers of ownership. It is important that Treasury consult with industry practitioners to ensure that definitions and expectations are both clear and actionable across the myriad of ownership types and layers that exist in local and international markets.

There is often a distinction between Registered and Beneficial Ownership across **layers of custody structures** between the register and the ultimate holder. Each layer is akin to peeling back an onion, often with an international chain of ownership to decipher. Further, the type or purpose of the 'relevant interest' may not be immediately clear and require further examination.

In addition, **layers of ownership that extend into international jurisdictions** may create a conflict between contrasting privacy and transparency requirements which may challenge the ability for beneficial ownership to be disclosed from certain locations. A clear path through these challenges

should be considered to support the flow of information and avoid uncertainty for the entity in its data collection and ability to meet its regulatory obligations.

- The securities in which a 'relevant interest' is to be declared should be extended to include instruments such as equity derivatives and tradable debt to meet the objective of identifying persons with influence and control.
- The future intention to make such registers publicly available to support Treasury's objectives should be balanced with the key consideration of privacy given the sensitive details to be collected by the entity.

A clear definition of the authority to access (i.e. who, how much, and on what basis) and authorised use of information (i.e. what it can be used for, who it can be shared with, and who is responsible for the data once accessed) should be defined and be consistent with existing requirements to access listed share registers. Similarly, the specific details to be accessed or retained should be very clearly outlined.

We also note the recent declaration<sup>1</sup> by the Court of Justice of the European Union that public access to beneficial ownership data interferes with the rights to privacy and personal data protection of the beneficial owners. The impact of this ruling on the established access rights remains unknown but it highlights the trade-off between transparency and privacy.

### **Beneficial Ownership registers should be administered by the entity**

In addition, we are aware that globally, different approaches to the management of these beneficial ownership registers have been adopted. This consultation contemplates that a future phase may include a centralised public beneficial ownership register for the entities outlined in this review as well as listed and other entities.

We suggest that Treasury consider an alternate approach that provides for the administration of such registers by the entity itself, rather than being held by a central repository. Our suggestion particularly targets listed entities given that they are already involved in the collection of similar information for regulated and company analysis purposes. This approach would benefit the entities by:

- Not dramatically increasing the regulatory burden for the listed entity,
- Allowing the extension of an entity's existing analytics activities within an enhanced regulated framework which will improve the quality and frequency of information collected, thereby improving the analytics capability of the entity,
- Providing for an integrated approach to the management of both listed and beneficial interests which will thereby further improve the reporting and analytical capability for the entity, and
- Potentially utilise existing capabilities used to manage registered interests noting that enhancements may be required to support the government's objectives.

Maintaining a separate beneficial ownership register in a separate location as a standalone artefact will only increase costs and create an administration burden for the entity for no benefit other than compliance. It's existing enquiry and analytics processes would still remain in parallel. We would be pleased to discuss this in further detail, including working on the design of mechanisms to ensure that the required level of information and access can be provided to meet the government's objectives.

Yours sincerely



**Marnie Reid**  
CEO Issuer Services AUS & NZ  
Computershare Investor Services

---

<sup>1</sup> Available at: <https://curia.europa.eu/jcms/upload/docs/application/pdf/2022-11/cp220188en.pdf>